

National Intelligence Daily

Friday 25 May 1979

Top Secret

Approved For Release 2004/05/22 : CIA-RDP79T00975A031400220002200022

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The Overnight Reports, printed on yellow paper as the final section of the $Daily$, will often contain materia that update the Situation Reports and Briefs and Comme	ls nts.

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NIGERIA: Rhodesian Issue

General Obasanjo's government reportedly is trying to decide how to respond should the US and the UK recognize the new regime in Rhodesia and lift sanctions. Despite calls in the Nigerian press for strong action in such an event, the military government probably still has no clearcut plan. If the issue comes to a head, it would feel obliged to take firm measures against US and British interests to demonstrate its commitment to the liberation of southern Africa and to assert its leadership on the continent.

Nigeria could retaliate by restricting its oil exports or implementing selective trade measures against the US and the UK. The UK is Nigeria's principal trading partner even though Nigeria takes only about 3 percent of Britain's total exports. Although unlikely, it is possible that Nigeria could proclaim an oil embargo mainly for its symbolic effect, knowing that in the long run it would be ineffective.

A Nigerian oil boycott against the US and the UK would be disruptive in the current tight market. While other oil exporting nations would probably not restrict exports to the US in support of a Nigerian embargo, insufficient quantities of alternative high-quality crudes could cause a deterioration in the US gasoline situation. More than half of Nigeria's oil exports go to the US-about 15 percent of US oil imports. The UK is less dependent on Nigeria, taking less than 5 percent of its total oil imports from Nigeria. Nigeria would probably not institute a series of production cutbacks in association with an embargo because of its revenue needs.

Nigeria views US policy toward Rhodesia as a major factor responsible for the warming of bilateral relations in the past two years. It would consider a US move lifting sanctions against Rhodesia a signal that the period of improving relations had ended.

Nigeria's military leaders apparently do not expect the US and the UK to act precipitately on Rhodesia and probably hope the issue will not come to a head until after the scheduled return to civilian rule this fall.

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RHODESIA: Political Developments	
Black Rhodesian leader Ndabaningi Sithole has decided not to seek a High Court ruling declaring last month's election invalid, and the way is now clear for the installation next week of Bishop Abel Muzorewa as Prime Minister and the formation of a black-majority government.	
Sithole, who so far has not let any of his party members take their seats in the new parliament, was under considerable pressure from his financial supporters and members of his own party to drop his petition, which cited election irregularities.	25X1
Sithole also may have concluded that he lacks sufficient allies and resources to mount an effective challenge to Muzorewa. Although Sithole has over 2,000 members of the auxiliary forces loyal to him, they are closely controlled by the Rhodesian security forces, and he probably would not be able to mobilize them effectively as an	
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Both houses of parliament will meet next week to elect a President. Bishop Muzorewa's party has nominated as its candidate Josiah Zion Gumede, a member of the minority Ndebele ethnic group who has a long but undistinguished record in public service and no solid ties to the party. Ndebele Chief Ndiweni's party has also put forward a candidate, but Gumede, because he is Muzorewa's candidate, appears certain to win. As soon as he is sworn in next week, Gumede is expected to name Muzorewa Prime Minister and invite him to form a government.	25X1 25X1
Earlier this week, the white and black members of the lower house in parliament caucused separately to elect 10 white and 10 black senators. Last week the Council of Chiefs elected five Ndebele and five Shona chiefs to the Senate, including Chief Chirauone of the three black leaders in the transitional governmentwho failed to win a seat in last month's elections to the	:

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House.

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	OVERNIGHT REPORTS (The items in the Overnight Reports section have not been coordinated within the intelligence community. They are prepared overnight by the Office of Current Operations with analyst comment where possible from the
	Nepal According to a Western press service, Prime Minister Kirti Nidhi Bista resigned last night but was asked by King Birendra to remain in office until the legislative assembly chooses a successor. A new prime minister must be chosen before the King presents his annual program, and the selection will probably be made before next week 25X1
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Thailand

The new government announced last night suggests Prime Minister Kriangsak is seeking to assemble a cabinet providing continuity and competence and to reward military cronies. Exclusion from the cabinet of members of the Social Action Party, which holds a plurality in the lower house, raises the possibility that Kriangsak will face an unaccustomed level of criticism from parliament.

UN - South Africa

The UN General Assembly yesterday voted to uphold a motion by its credentials committee to reject the credentials of the delegation from South Africa. The delegation, which had slipped quietly into the chamber the previous day in an attempt to reoccupy the seat South Africa lost in 1974, left the chamber after the vote. The South African Charge called the vote illegal and irresponsible and said South Africa was being denied the right to state its views on South West Africa (Namibia), with which South Africa had been involved for nearly 60 years.

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